
Condo Smarts

Headline: Insuring Vacant Condos

Topic: Insurance

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Dear Tony: My mom passed away in January, and since then we have been processing the estate. The unit has been vacant since December of last year and we are in the process of selling, but there have been a number of issues pop up. The strata council have entered the unit without any notice claiming they had to inspect, as the unit owner upstairs overflowed her tub causing damage to the bathroom and now we can't seem to get insurance for the unit until it is sold. While we are managing the first 2 issues, the insurance is the greatest concern. Are there any options for vacant units in condo buildings? It seems like this market is disappearing.

Judith Maxwell

Dear Judith: Vacant homes are a growing problem for everyone in a strata corporation. The homes are often abandoned until the estate is probated, and the residents of the buildings are exposed to claims if a water line fails, the unit is unheated, or there is a pet infestation unreported. Strata corporations do have the authority to inspect strata lots. CHOA recommends an annual inspection of all strata lots to verify the domestic water and drainage systems are operational and there are no problems with water ingress around windows or failures of decks and balconies.

If a strata corporation is going to inspect a strata lot, they must provide notice in the manner and period set out in the strata bylaws or the standard bylaws of the *Strata Property Act* as follows: *An owner, tenant, occupant or visitor must allow a person*

authorized by the strata corporation to enter the strata lot (a) in an emergency, without notice, to ensure safety or prevent significant loss or damage, and (b) at a reasonable time, on 48 hours' written notice, to inspect, repair or maintain common property, common assets and any portions of a strata lot that are the responsibility of the strata corporation to repair and maintain under these bylaws or insure under section 149 of the Act. (2) The notice referred to in subsection (1) (b) must include the date and approximate time of entry, and the reason for entry. Provide the strata council and manager with your contact information and demand you are provided notice before they enter the home.

One solution to obtaining insurance for vacant homes is the frequent access and inspection by a neighbor and/or monitoring of the unit. If you can verify a neighbour has a key and will inspect the unit at least twice weekly, it provides the insurers with a level of comfort when placing a policy, but yes, vacant homes can be extremely difficult to insure. Ask your broker, are there any steps we can take to qualify for insurance? Real time monitoring, for example. Remember it's not simply about damages from a failed system, there is also personal property being insured in the home and general liability.